

Business Impact Estimate

This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City's website by the time notice of the proposed ordinance is published.

Ordinance 2023-14 MODIFYING RATES RELATED TO THE CITY'S ELECTRIC UTILITY

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City is of the view that a business impact estimate is not required by state law¹ for the proposed ordinance, but the City is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- The proposed ordinance is required for compliance with Federal or State law or regulation;
- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- The proposed ordinance is an emergency ordinance;
- The ordinance relates to procurement; or
- The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
 - c. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
 - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City hereby publishes the following information:

¹ See Section 166.041(4)(c), Florida Statutes.

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare):

The City owns, operates, and manages an electric distribution system both within and without the City limits pursuant to its governmental powers. As a municipal electric utility, the City has the authority and duty to establish and modify electric user rates for the City's electric utility system. As a part of its continuing duty to set and collect rates, fees, and charges to prudently operate the utility, the City employed a consultant to analyze existing charges, and assure adequate revenues to cover the costs of the City's electric utility system.

The consultant made recommendations to the City Commission regarding the City's monthly rates, fees, and charges (the "2023 Rate Study"). The 2023 Rate Study found that the City's current rates are very competitive; however, the revenues generated are insufficient to fund the pro forma expenses of the City's electric utility. The proposed ordinance implements the recommended rate changes. This ordinance serves the public health, safety and welfare by ensuring the publicly owned utility, which provides an essential service to the community, is prudently operated.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City, if any:

Commercial customers can expect an increase in customer service charges, energy charges and if applicable, demand charges. Rate increases are proposed to be phased in. For instance, a general service (non-demand) class commercial customer rate comparison for 1500 kW-hours would go from \$182.60 per month currently to \$211.50 per month, effective October 1, 2024. A demand class commercial customer rate comparison for 75kW and 30,000 kW-hours would go from \$2,742.50 per month currently to \$2,835.00 per month effective October 1, 2024. The proposed ordinance does not create any new fees or charges.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

The City of Wauchula currently serves 324 private, for-profit businesses which will be impacted by the proposed ordinance. This equates to 12% of total current electric utility customers.

4. Additional information the governing body deems useful (if any):

The proposed ordinance is a generally applicable ordinance that applies to all customer classes (residential and commercial) and, therefore, the proposed ordinance does not affect only businesses.